

Problems of Cooperative Management in Nepal

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1. Introduction to some theoretical issues:

A cooperative society is defined "as a form of organization, where in persons voluntarily associate together as human beings, on a basis of equality, for the promotion of the economic interests of themselves"¹. Some of the salient features of it are as follows :

1. It is a voluntary association
2. It is not a charity organization and hence cannot function purely on the humanitarian ground.
3. It is an organization of equals to achieve the goal of harmony of interests.²
4. In this sort of organization, capital is given only the secondary importance in the decision-making process.
5. It would be guided more by the services it has to render to its member than the profit motive.
6. It is conspicuous by the absence of speculation since buying and selling of the cooperative shares are not permitted thus helping to eliminate the trade cycle.

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¹ Calvert, H. "The Law and principles of Cooperation (1921)" pp. 11 quoted by Dr. Mathur, B. S. "Cooperation in India" 1971, pp. 8.

² At present, more emphasis is being placed on the equaling of interest rather than equality of status of members as such.

Charles Fourier, one of a great Utopian called this cooperative management as the pleasure economy— a composite pleasure, because in this type of organization one does the job one likes to do or is interested to do and that also with the colleagues with whom one can get well with. But another Utopian Proudhon wanted to call it a 'Combat Economy', because it goes against the existing economic structure in a society like capital market.

Though cooperative enterprise has some distinct features, the basic elements of management as such do not differ that much with a corporate firm. Only thing required is the addition of some other elements to match the distinct features of the corporate enterprise. Hence, the management as such can be expressed in the Mnemonic POSDCORB, each of letter for which stands for,

P = Planning

O = Organization

S = Staffing

D = Direction and Decision-Making

CO = Control, Coordination and Communication

R = Representation

B = Budgeting

To put in some what different and wider form the management of cooperative enterprise consists of³

- (a) the management of assets, of the 'money,'
- (b) the management of power, with its decision-making process
- (c) the management of know-how, with its socio-cultural implications
- (d) the management of aspirations, with its ethical, sociological and strategic implications.

Last element acquires more importance in the case of the cooperative enterprise because of its goal to activate the members and popularize the cooperative principles and ideals among the members.

Before moving any further, It is worthwhile to differentiate the cooperative management with the management of other corporate firms because of the special feature of the

³ Prof. Desroche, H. "Cooperative Management", paper reproduced in 'Cooperative Information 3/76', International Labour Office, 1976, pp. 21.

cooperative enterprise. Under the heading, the management of assets, three major items can be identified namely transactions, shares and dividends. In a cooperative enterprise, the shareholders, who invest their capital, happen to enter into the transactions themselves raising the main problem of achieving the coordination of the economic interests of the members and that of the cooperative enterprise itself. If the profit margin is made higher, this might affect the economic interest of the members in their transactions with the cooperative enterprise. If profit is lowered, this can hamper the expansion of the enterprise as such and can lessen the rate of dividend to the members themselves. So, since a cooperative enterprise is closely associated with the fulfillment of social responsibility as well, its success must be measured both in terms of its efficiency in business management and the quality of services it has to render to the members. This task of maintaining balance is a peculiar feature of a cooperative enterprise, which is different from that of a corporate firm.

In the management of power also, the members of a cooperative enterprise are supposed to play an active role in the decision making process, which is absent in case of a corporate firm. This has raised its own type of problem because of the possibility of delay in business decisions in case of members' participation in all the business affairs of the cooperative enterprise. If they are excluded from the active decision-making process, the very principle of democratic decision making is defeated. So, here also a cooperative enterprise has to strike a balance.

Performance Objectives for Cooperative Management:

In order to move cooperative management or for that matter management for any organization ahead, it is essential to define the performance objectives as well. Some of the performance objectives for a cooperative enterprise can be listed as follows:⁴

- (a) market standing
- (b) innovation
- (c) productivity
- (d) physical and financial resources
- (e) profitability
- (f) management performance and development

⁴ Prof. Agrawal, R. D. "The objectives of the Cooperative enterprise" in 'Cooperative Information 1/76' International Labour Office Geneva, 1976, pp. 3.

- (g) worker performance and development
- (h) membership participation and attitudes, and,
- (i) social responsibility

(a) Market Standing :

All organizations produce for market and for that matter it is imperative to set definite objectives in this regard with taking due consideration of competing products, competing firms, its existing market share consumers' tastes etc. More often, aggregate demand projections have to be made for future.

(b) Innovation :

This is a changing world and the management should effectively respond to the changes in socio-economic, political, legal and cultural environment, which calls for the innovative ideas. In business, this is an age of gamesman, who can come out with the new innovative ideas to compete in the open market.

(c) Productivity :

All productive resources are to be used optimally in order to minimise the cost. Hence, prior arrangement should be made to optimize the productivity as such within the given constraints.

(d) Physical and Financial Resources :

To match the production and marketing objectives, physical and financial resources such as the office space, machine space, office equipment, storage facilities, assessment of financial requirement, contribution margin, rationage refund rate of return on investment, retained earnings, depreciation etc. have to be managed beforehand.

(e) Profitability :

Though balance has always to be striked between profit motive, profit is very much essential to expand business, to attract new members, to counter balance losses, to gain public image (profitability is one measurement of efficiency), to lessen to government interference etc. So, management should strive for certain profit.

(f) Management Performance and Development:

Operational style such as the job specification for the managers, coordination between different departments, recruitment of personnel etc. can be put under this heading. Management should be able to mobilise these human resources optimally to achieve the organizational goal. Furthermore, in order to meet the challenge of changing world, managers should be given opportunities for self-development.

(g) Worker, performance and Development:

Success of any organization depends largely on the morale, loyalty and commitment of workers as such. So management should devise an efficient reward and punishment mechanism, and create a good working environment.

(h) Membership Participation and Attitudes:

A cooperative enterprise seeks for to achieve membership participation, because cooperative ways are visualized as an effective instrument in changing the socio-economic conditions of members. This calls for the members, who are truly wedded to the cooperative ideology and principles, which necessitates the cooperative education. "The active involvement of members in social and educational activities such as cooperative library, cooperative recreation centre, cooperative school, cooperative children's park etc. would not only ensure their active participation in the affairs of the society, but would also have a demonstration effect and motivate other members of the community to become members". (Prof. Agrawal, 1976).

(i) Social Responsibility:

Since a cooperative enterprise has a social responsibility to fulfill in a direct manner, definite social objectives need to be defined in order to make the services of these societies more fruitful and effective.

2. Problems of Cooperative Management in Nepal:

In Nepal, the cooperative movement has started in the fifties with the establishment of the Cooperative Department in 1954. In each of the plan so far launched.

it has received an important place specially with regard to the agriculture development. During the period of last quarter years of a century, the cooperative movement in Nepal experiences several changes. The initial emphasis on the quantity of cooperatives is replaced by the emphasis on qualitative development in the Third Plan and afterwards. Later on, in the late sixties, supervised-or guided cooperative societies come into existence under which arrangement has been made to manage the societies by the managers posted by the Agricultural Development Bank (which has entered into an agreement with the HMG/N to this effect) and to make the technical assistance available to farmers to ensure the proper use of agricultural credit. In 1976 came another change and accordingly in all the 27 Terai districts and some of the Hill districts as well, Sajha Programme is introduced under which the compulsory saving is turned into the shares of the Sajha Society by virtue of which all the compulsory savings payers are the members of the Sajha Society thus introducing the system of automatic membership and banishing the principle of voluntary nature. This arrangement has resulted into the possibility of interest conflict, since all big and small farmers are the members. Furthermore, the Sajha Society would have managing committee consisting of the Pancha-workers thus denying the principle of religions and political neutrality of a cooperative society and the direct member participation in the form of the election of executive members. Thus, at present, both the guided cooperative societies and the Sajha Societies, former in the Hill districts alone and the latter in the Terai as well as some of the Hill districts are existing. The Sajha Societies so established aims at helping the farmers through.

- i) the creation of the sense of self-help, mutual help, thriftness and cooperation amongst members,
- ii) encouraging the start of the improved agricultural practices
- iii) encouraging specially the members of society to save regularly and invest them in profitable ventures.
- iv) the accumulation of foodgrain and cash with the help of loan and saving and keep them safely and arrange for its disposal.
- v) the arrangement of foodgrain in time of scarcity.
- vi) the purchase of agricultural products, classifying, processing, and making the arrangement of transportation and godown facilities and marketing as well.

- vii) making available high yielding seeds, improved tools, fertilizer, pesticides and irrigation facilities and encouraging improved agricultural practices.
- viii) preparation of farm plan along the modern technology
- ix) making available the raw materials for cottage industries to make farmers utilize their leisure-time.
- x) making available the daily consumer goods
- xi) making available the loan for both production and consumption purposes.

Despite the continuous government effort, the cooperative development in Nepal is found to be unable to secure a safe base for itself. Its trend is somewhat unsatisfactory, though not altogether gloomy. Some of the reasons for such a sad affair of the cooperative movement in Nepal are discussed here.

1. Contradictions between socio-economic realities and expectations—Like in many developing countries, the cooperative movement in Nepal is the outcome of the persistent government effort and persuasion. For doing so, the western concept of cooperative is tried on the different socio-economic cultural environment. The Nepalese society, where informal groups like family, clan, location, religious group etc. exist, could not accept the western concept of the cooperative. Because of the strong informal group, people feel themselves more responsible towards their informal groups rather than to the cooperative.
2. Rapid Growth—Being carried away by the theoretical ideals of a cooperative enterprise, very unrealistic and over-zealous targets are made and cooperative institutions are established in such a manner that their control and management have become a problem in itself. This raises the feeling of incompetence and frustration in the part of staffs thus demoralizing them and indifference attitude on the part of members.
3. Lack of managerial staff—Corollary to above is another problem of lack of managerial staffs to look after the business affairs of a cooperative enterprise.
4. In Nepal, the cooperative movement is found to be politically guided. The recent introduction of Sajha Programme can be looked from this angle. The initial drive to establish one Sajha Society in each of the village panchayat has ended into

the cenglomeration process thus a society serving several panchayats at a time.

5. Nepal has subsistence agricultural economy and non-monetised sector still persists thus minimising the business transactions, which adversely affects the prospects of the cooperative society as well.
6. One management problem in the staff problem so far as the vericle hierarchy for their promotion is concerned. Since secondary level organizations are very few, the possibility of promotion for cooperative staffs are alarmingly slim. So, promotional incentive is lacking. Furthermore, because of their posting by the Agricultural Development Bank (and now by the Cooperative Department), their accountability is not always clear thus affecting the efficiency as such.
7. The facilities so far provided by the Sajha Society could not make their impact felt on the agricultural productivity. It is found that the improved agricultural practices specially the use of high yielding seed varieties and chemical fertilizer could not be instrumental in raising the productivity.⁵ So farmers seem to be reluctant to use such new agricultural inputs due to the risk and uncertainty involved.

From the discussion made so far, it is obvious that the cooperative movement could not make its desired effects felt on the masses because of the several reasons. Hence, what is required is to review the whole cooperative movement in Nepal as such and find a different operational design suited to Nepal's socio-economic and cultural environment. Effort has to be made in this direction.

⁵ See Bajracharya, Bhuban B. "An Impact of Village Sajha Society on Small Farmers". Centre for Economic Development and Administration, 1978.

Book Review

Review Article

Ludwig F. Stiller, S.J. and Ram Prakash Yadav, Planning for People, A Study in Nepal's Planning Experience, Kathmandu: Sahayogi Prakashan for CNAS, T.U., 1979, p. 334, Tables, Bibliography, and Index.

The literature on Nepal's planning experience is quite scant. It is a rare occasion when a book on Nepali planning appears. It is still rarer an occasion when Nepal's planning efforts is viewed as an exercise for people. When a historian and an economist pull their intellectual resources together to intelligibly explore the confusing lanes and by-lanes of our developmental heritage the results should surely be interesting. Planning for People is an interesting book. In Planning for People Dr. Stiller and Dr. Yadav make "a very personal exploration of Nepal's Planning experience". The authors look back over the past 25 years and survey the realities as well as prospects of Nepali planning. One is reminded of a traveller who, having walked over hills and dales stops momentarily in a pass and looks back over the tracks he has treaded just so he might know where and why he stands and what his prospects are of getting to where he wants. It is all too common an experience in Nepal, but a rare one in Nepal's planning.

Planning for People is divided into ten chapters. Each chapter bears a theme (and a quote from H. M. the King's speeches) which binds the different strands of thought pursued under it. But in this reviewers view the book as a whole really constitutes of only two parts. The first part of the book, i.e., chapters 1 through 6, focuses on the genesis and environment of Nepali planning. The second part, i.e., chapters 7 through 10 is more directly concerned with Nepal's adventure with periodic planning, its frustrations and hopes. It is here that the authors trace what they call the "slow emergence of a true Nepali strategy for development consonant with national aspiration and the realities of development finance."

Planning for People is an interesting exercise in methodology. The sociohistorical approach dominates the first part of the book.

The methodology followed in the second part of the book cannot be easily ascribed; the authors move easily from reasonings based on social history to economics and vice-versa.

The authors lucidly trace the Rana administrative and political system as it had evolved in 1951 and subsequent attempts at reform in the post-1951 period. A rather sketchy perspective of popular aspiration as reflected in contemporary literature provides a basis for the introduction of the notions of "planning" and "development" in Nepal in the post-1951 period. It is obviously true that the overwhelming desire of the Nepali people during and after 1951 has been the desire for social justice and economic opportunity but it is also equally true that the connotations of "development" perceived by Nepali planners was quite in variance with what the people themselves perceived. Nepali development efforts were undoubtedly spurred by popular enthusiasm but popular wish did not orient them. The distinction is significant. The development ideology which the authors trace in chapter 2 and its impact on Nepali developmental thinking can be appreciated better in the context of Nepali planning experience only when this distinction is borne in mind. The development ideology were and are hardly stages of realization as the authors point out. The different phases through which development ideology has transformed, it seems to me, were simplistic attempts in search of a magic variable. The sad fact is that there is no magic variable that can explain and spur development. There is perhaps only one uncontroversial objective of development : to raise the living standards of people and enhance their "quality" of life. The problem of an acceptable living standard and the meaning of the quality of life may raise practical questions but what it amply suggests is that development connotes aspects inherent in all the five stages in the transformation of development ideology and a bit more: it needs the political will and a dedicated commitment to people. An elephant, ofcourse, is not just different limbs taken singularly, it is the whole taken together !

The socio-political and administrative environment in which Nepal's development efforts were initiated has been quite candidly reviewed and examined by the authors. It is true that in the immediate post-1951 period the Indian and the U.S. thinking competed with each other for a say in Nepal's development efforts. The result was that the administration was Indianised while development programmes wherever the U.S. was involved were charted under AID scrutiny. The Nepali bureaucrat and the technocrat could not become assertive; the means of being assertive were simply non-existent. Having had pursued the development band wagon. Nepali planners or those entrusted with the responsibility of carrying out development programmes had hard time themselves trying to relate with the people, and their needs. It seems to me that development as Nepali bureaucrats, technocrats and intellectuals saw it was (and to a

large extent still is) a "we give - they take" idea. The legacy of the Rana period was precisely this. For in 1951 Nepal only superficially took a "leap into the twentieth century". In reality she just leapt from chaos to the realisation that it was chaos. In want of anything better the Nepali elite in 1951 confronted as it was with the staggering problems of what it saw as development found the "we give-they take" idea a convenient idea to hold to. This stance was paid in kind by donor agencies as foreign aid began to trickle at first and then flood later into the country. Admittedly once in a while a foreign advisor just simply exasperated by a complete lack of development oriented administrative infrastructure drew some guidelines for creating an institutional environment conducive to development, and for project preparation and implementation. The case might have been true with some unknown Nepali innovator who in exasperation just resigned.

In 1956 when King Mahendra's insistence became instrumental in drawing up (for want of a better word) the First Five Year Plan it was really no more than a bunch of ill conceived and less coordinated projects under one cover. The idea of planning was only just evolving and very slowly. Nepali planners became aware of the need to "plan" the Plan only after the First Five Year Plan had drawn to a conclusion. By then development had already been identified with planning and development planning with foreign aid. It may be noted that the contemporary phases of development ideologies in Nepal, as they reflected in the objectives of the subsequent Plans, were an imposition from foreign-trained elites and their foreign advisor counterparts. The ever changing political scenario within Nepal and Nepal's uncertain search for a secure place in the international community perhaps contributed to the lack of interest on the content of development as they related to the majority of Nepali people. The foreign aid dilemma was little more than Nepal's hesitant assertion on the best ways of the use of foreign aid as Nepali bureaucrats and technocrats saw it, and the resulting tension in relations with the foreign advisor. The development planning exercise could not be afforded without foreign aid, and foreign aid could not be had without precisely that exercise ! Though Nepal has taken strides in her bargaining power with donor agencies the situation at heart remains much the same even today.

The chief constraint in Nepal's development planning efforts has been identified by the authors as its administration. Development finance does not constitute a major constraint,

thanks to foreign aid and untapped sources of mobilising internal resources of the country. Absence of technical manpower in pertinent fields and failure to mobilise human resources have been suggested as the two important secondary constraints in Nepal's development planning efforts. The authors are surely correct in their diagnosis particularly in view of the rather dismal performance of our plans but isn't there something more to administration than meets the eye? Surely, the problems of Nepali planning are as much problems of Nepali administration and Nepali administration is as much a product of Nepali social and political life. The socio-historical approach taken in the book perhaps would have shed greater light in this area. The authors have taken pains to discuss the domestic political climate and its implications on contemporary development efforts prior to 1960 but this approach becomes muted in the post-1960 era. Had the same treatment been made for the post-1960 era the resulting analysis would surely have been interesting. Though Nepal remained politically "stable" after 1960 the perception of Nepal by outsiders changed radically during this period. Foreign aid is first and foremost a political decision and then only an economic or developmental one, as everyone knows. The magnitude and the share of foreign aid by different donor countries in many instances reflects the changing perception of Nepal in foreign eyes. The authors could perhaps have traced this changing perception of Nepal by donor countries and its implications on contemporary development efforts.

Part one of the book culminates in what has been dramatically termed by the authors as the Great Debates. The authors concede that the debates represent strategy struggles in what are deemed to be the major issues concerning the basic methods of development and are in no way exhaustive. As the authors have selected, these issues cover the areas of land reform, public enterprises, capital investment, agricultural production and roads. The debates, however, were really debates in so far as there were primarily two types of participants: bureaucrats and technocrats within the government framework and the foreign aid donors. These were not real debates involving people with real stakes in the development process or people for whom development was proposed, but only confrontation of ideas - if it was confrontation at all - borrowed more often than not from the theoretical issues of the strategies for economic development emanating basically from the western schools of economic thought. Public opinion was most influential and in some ways vocal in the first theme-land reform-primarily because land reform had been a issue-and a vital one- in the public mind as early as 1952 and had received a political dimension during the pre-1960 period. But the same thing can hardly be said

about the other themes of the debates. With an exception of the land reform question the other questions hardly received the attention of the masses. None of the debates were either/or debates. The arguments centred around available finances and primarily political necessity. The motivating forces were the different shades of development ideology that had in one garb or the other permeated the echelons of Nepali bureaucracy and the Planning commission. Despite the pretensions the debates were hardly more than positions of individuals and agencies expressed with due formalities within the hallowed halls of the secretariat or perhaps garden parties arranged by many an advisor. Had the debates been a bit more wider and a bit less susceptible to jargons perhaps the strategies pursued in Nepali development planning would have been legitimised by public opinion. But it was not to be. The "perceived" political necessities of the periods forced a choice- the compromise- and the debates ceased. The great debates were not as great as the authors point out to be, but the themes were important and still are. The themes that the authors choose to explore have been quite selective and not all the important themes have been presented. It may be noted that in the post-1975 period the notion of public participation and the channels through which it could be actuated within the given political framework did receive considerable attention. The system of education in relation to the developmental needs of the country was another emerging theme, particularly so during and after the introduction of the New Education System Plan. None of these issues were taken to the people, however. The authors are right in commenting that none of these debates have ever been completely resolved.

What were the forces that shaped and reshaped Nepali planning environment and her quest for development in the post-1951 period ? From the discussion and analysis made by the authors in the first six chapters of the book four elements can be identified: administrative apparatus, domestic political climate, attitude of foreign donors, and their interaction with Nepali bureaucratic and technocratic elite. It is clear that the objectives of Nepali development efforts and the methods pursued to achieve these objectives were heavily influenced by the last two elements, though the implicit link between all the four elements is obvious. How then was an indigenous strategy for national development to evolve and why did it evolve ? The basic thrust of what I have termed the second part of the book is to provide an answer to this question.

The second part of the book, i.e. chapter 7 through 10, it may be recalled bears more directly on the growth, results and prospects of Nepali planning efforts. The authors trace the

growth of the planning machinery in Nepal. Three modes of planning have been recognised : departmental planning between the first and the second plans; centralised planning during the third and most of the fourth plan periods; and guided planning for the fifth plan period. The authors see the prospects of what has been termed convergent planning for the period ahead. The evolution of these modes of planning have been discussed together with brief evaluations of the four plans between 1956 and 1975. The authors contend that though the planning structure has considerably improved, the planning performance in terms of the objectives set by the plans has been quite poor. They see a new hope in the strategy for rural development pursued in the fifth plan and more vigorously proposed for the sixth plan. This strategy they argue could be the "true" Nepali strategy for development. The prospects, the authors foresee, are not at all discouraging if the lessons of the past have been learnt well.

The authors have traced the growth of the planning machinery in Nepal more on the basis of its status and less on the basis of its content. The status (from department to council to commission) has definitely upgraded but has the organizational capability followed suit? Planning organization like any other institution has to have an effective system of operation both administrative and technical if the planning structure is to function effectively. The planning organization of Nepal is regarded by most departments and ministries as an escape-goat for their problems at the best and as downright irritant at the worst. Finance, i. e. the ministry of finance has felt quite uneasy in its relation with the planning body. Many in the ministry still feel that the planning body is effectively redundant. These reactions together with internal changes within the planning body has inhibited the growth of an effective system of operation. The mode of operation of the planning body has undergone changes with every new vice-chairman. The technical capabilities of the planning body is limited. Evaluation of projects has definitely shown some improvement but it has still to be translated in the sphere of actual achievements. The authors contend "guided planning, as it has evolved in Nepal, presupposes that the official planning structure has functioned properly" (p.215). This is indeed a moot point.

Planning, in the final analysis, is what it does. Here the record of the past 25 years is far from encouraging. The authors have chosen three vital sectors of the economy (one of which does not appear in the great debates) - transport, education, and agriculture for evaluation. Transport sector has remained consistently at the forefront of Nepali planning and some achievements have been made in this field. The national physical space undoubtedly is more

articulated today than it was 25 years ago. In 1951 the country had only 376km of roads (all weather and fair weather), in 1975 the total was 3,688 kms. But what has been the impact on the Nepali economy and the life of the Nepali people ? Roads are always desirable, particular!y when some one else builds it for you, but the fact is that together with the construction of major north-south linkages the Nepali economy has been progressively more meshed up with the Indian economy. In effect Nepal has been more of an extension of the Indian market. The authors deal more with the technical side of the question - engineering techniques, road maintainande, and cost effectiveness etc. What perhapas is more important is the evaluation of the linkages between transportation network and other productive sectors of the national economy. In this regard not many lessons seem to have been learnt.

Education, another vital area, was really not the planner's concern. The authors contend that the education sector points out the limits of Nepali planning. The fact is that in so far as Ne al's development planning efforts ars concerned education was not given the attention it deserved. Different commissions were formed at one time or the other to study and report on the education front but the awareness and the growth of educational institutions in Nepal well up to the third five year plan had very little to do with planning. The history of the growth of educational institutions in Nepal is really the story of public participation. The New Education System Plan(NESP)was the first attempt to giveNepali education system(if system it was) a centrally controlled character. The authors indicate but do not pursue the political structural implications of the introduction of the NESP. That approach would have yielded interesting results. Now that NESP is history one can delve deeper into the weaknesses of the NESP. The basic failure of the NESP was ofcourse due to the causes that the authors point out. But the more important reason was the lack of the channels of participation of those for whom the NESP was intended. The NESP should have been preceded by a dialogue, a great debate, on the merits and methods of NESP. That dialogue could have provided the input that would have gone a long way in making the NESP a realistic and successful exercise. The NESP turned out to be a monologue, and at times a soliloquy. The channels of communication were effectively truncated by the NESP planners. Participation by itself would not have made the NESP a success. Participation plus the recognition and rectification of weaknesses would have.

Nepal is an overwhelmingly agricultural country and this is common knowledge. The authors in evaluating the achievements in the agricultural sectors revealingly point out the low priority given to this sector in terms of the outlay during each plan period and each

budget. The performance in the agricultural sector has really been dismal to say the least. In fact agricultural production has hardly kept pace with the growth in population. It sounds ironic and provides little if any solace when our planners tell us that by 1985 Nepal will be net importer of food grains. So much for the achievement of planning in a overwhelmingly agricultural country ! What went wrong ? The strategy perhaps, is the answer which the authors seem to infer. That is why they pin such hopes on the new strategy for rural development : the integrated rural development programmes and the small farmers programmes.

With the advent of the new strategy the authors see a convergence of three ingredients in the Nepali planning areas: highly trained technical personnel of Nepali nationality, the policy of balanced regional development, and the international finance to fund the projects conceived indigenously. The new direction is the IRDPs and SFPs and the hope, well; the hope is for a better tomorrow, hope that planning in Nepal would vindicate itself by being the mechanism of fulfilling the basic needs of the population at large. What is the basis of this hope ?

Towards the end of the third plan period the planners of Nepal suddenly realised that the development effort had been lopsided. The "where" aspect of development was not receiving proper attention in public investment decisions. This led the planners to conceive of a strategy of what has come to be known as regional development approach in Nepali planning. The basic idea was to initiate a process of balanced development in different regions of the country. The spatial strategy consisted of creating a series of north-south linkages connecting locations planned for eventual development. The country was divided into four planning regions or development regions and the regional centres and sub-centres were identified accordingly. But soon the regional development idea gradually lost the initial impetus. From the "objective" of development with which it was identified in the fourth plan it became one of the policies of development in the fifth plan. The focus was gradually narrowed. The Small Area Development Programme and the Integrated Rural Development programme remained as the remnants of the regional development idea in the fifth plan. The intended focus of the sixth plan is the IRDP.

It seems to me that the idea of regional development never achieved the status of an administrative and political commitment. Analysis of regional economic structure which should have been the basis for region-specific target oriented programmes was not effected. The fifth plan, for example, opens and closes with chapters on regional development and that was all. A cursory sketch of the focus of our development strategy since the fourth plan shows that in the last decade our move has been from a macro-spatial strategy to a

micro-spatial strategy. The scope has narrowed significantly. The panchayat, the district, or the zone have been the focus of SFPs and the IRDPs. What should also be clear is that the macro-economic and spatial strategies like that of Land Reform and Regional Development which had a higher dose of structural implications have been gradually replaced by micro-strategies where the structural implications are not so obvious from the policy making point of view. Unfortunately, as the elements of growth at the micro level are identified their linkages with the macro structural components have tended to become progressively ignored.

But simply, the basic needs approach – an approach that has led to the rise of such great hopes – is only a realisation after all these years that Nepal is a very poor country where poverty of the masses is the problem. The basic needs approach and its programme vehicles the SFP and IRDP are neither wholly new ideas as they seem on the surface. The Chinese, for example, have made what in a round about way may be called the basic needs approach their primary focus since liberation. The Chinese again experimented and in some ways still are experimenting with the “integrated” development programmes and have been reasonably successful in rural areas. This happened long before United States Agency for International Development or other agencies considered these strategies “holy” enough to be toyed with.

The IRDPs, the authors contend, seek to create a “whole new planning environment”. Creation of a whole new planning environment is not just a matter of a chance convergence of some vital ingredients of the development thought, it is equally a matter of translation of the thought convergence process into practice. It seems to me that there are three basic issues that the IRDPs raise and which cannot be ignored or dosed. First, there are the structural implications of the SFP and the IRDP programmes. People and planners can work together only in so far as the political process and its limitations allow. Policies have to be pursued at the national level that are commensurate with meaningful grass-roots participation in the development process. Such policies need to facilitate the mechanisms of a better distribution and control over resources. Second, the target groups have to be meaningfully perceived such that the structural and economic implications of the programmes can be oriented to their benefit. The IRDPs presently do not seem to be overtly concerned with this vital element. Third, programmes have to be created that are really “integrated” (in the sense that each programme complements and reinforces the impact of the other) and do not constitute a bundle of projects

taken together. Above all of course is the zeal, the dedication and the commitment of the technocrat, the bureaucrat and the politician. The extent to which the current strategy can be a true Nepali strategy for development will be determined largely by the manner in which the problems outlined above are resolved. Planning from the grass-roots up is more easily said than done. Convergent planning requires that the higher ups are not only willing but also compelled to listen to what is said by those "down there," and that those "down there" are not only given just the right to say but also a meaningful medium through which they can say.

Planning for People is not convergent planning, planning with people is. This is perhaps the new challenge which the authors may have in mind. The extent to which the development strategy of a nation is subject to the structural limitations of the national political system can be an interesting academic as well as pragmatic exercise. As one pursues the last hopeful chapters of Planning for People one wishes for such an analysis in the context of Nepal. The basis of hope could then be more thoroughly explored.

Planning for People raises many issues. Some are taken forward, others are raised and left aside and taken up later in another context. The question and ramifications of foreign aid is an example. Because the basic concern of the book seems to be rural development. Other relevant sectors of the economy like industries have remained completely untouched. The socio-historical approach avowedly pursued in the book takes the reader back and forth both in terms of time and modes of analysis and discussion. By the very nature of its scope the book does not follow a systematic time-frame except in what I have called part two where discussion of different plans make it necessary to loosely follow a time sequence. The book consists of one map. A few more maps showing the major projects undertaken in different plan periods would have been beneficial to the lay reader. The book has a number of tables but they have only rarely been cited in the text. One interesting aspect of the book is the primary sources, the so-called Planning Notes, on which much of the revealing information contained in the book is based. The reader comes across many a rewarding piece of revealing information through the many foot-notes in the book.

Planning for People is a stimulating book. If it raises many an eyebrows it is because Nepal's planning experience has been such. There are many theoretical issues as well as points of interpretation on which the "great debates" may be initiated all over again. But on the whole Dr. Stiller and Dr. Yadav have made a valuable contribution to the understanding of the Nepali planning experience. Price ? Well, the book obviously is for people without resource constraints !

--PITAMBER SHARMA

